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I. THE CIA PROPOSAL FOR FLEXIBLE BENEFITS

- No changes in retirement plans: proposed flexible benefits trade-offs affect health insurance, life insurance, and some benefits not now included in the federal benefits package, such as annual leave buy-or-sell option, day care services, additional life insurance.
- Phase 1: very simple: employee portion of health benefits premium is now deducted from take-home pay (i.e., after taxes have been deducted from salary). Phase 1 proposal is to change the employee portion of health insurance premium to a before-tax deduction. The employee's salary for tax purposes is "reduced" by the amount of the health insurance premium, so employee pays income tax on a smaller total salary.
- Phase 2: CIA moves to a complete "cafeteria" benefits plan, providing a menu of alternative health benefits (beyond a minimum core provided by CIA), life insurance options, annual leave buy or sell options, day care, etc. Agency gives employee dollar credits to "spend" to buy the specific benefits employee wants, selected from a list of options agency makes available. One component is "flexible spending account" (FSA) in which employee can use pre-tax salary reduction to pay for health care not covered by insurance or day care. Optional choices available to employees include -
 - Medical - a core plan of minimum coverage for employee. With dollar credits, employee can add family to the minimal core plan, or can select either of two plans that pay more for care and have smaller deductibles or can select an HMO plan. Employee may also select no medical benefits if employee can show proof of alternative coverage such as through a working spouse.
 - Dental - employee can use dollar credits to "buy" dental care for self and family -- preventive, diagnostic, restorative care, orthodontics up to \$1,000.
 - Vision care - employee can use dollar credits to "buy" vision care for self and family.
 - Prescription drugs - medical plan pays for prescriptions at rate of 20 percent, employee can use dollar credits to "buy" prescription drug plan for self and family -- with this benefit, employee pays \$5 per prescription, agency pays the rest.

- Specified dread disease insurance coverage - medical plan pays health care expenses; employee can use dollar credits to "buy" supplemental insurance (up to \$10,000) toward expense of diseases definitely diagnosed -- polio, leukemia, scarlet fever, diphtheria, small pox, meningitis, encephalitis, tetanus, rabies.
- Long-term care - employee can use dollar credits to "buy" long term care (nursing home, home care, or other long-term facilities for employee, spouse, parents, children, at rate of \$100 a day for up to five years.
- Long-term disability - as a supplemental disability retirement employees with more than 1,040 hours of sick leave can trade it for long-term disability income at rate of one year of income (60 percent of pay) for each two days of sick leave, with limits on total length of time based on age.
- Group life insurance - employee can use dollar credits to "buy" life insurance coverage up to seven times amount of salary up to a maximum of \$500,000.
- Employee and family accidental death and dismemberment insurance -- employee can use dollar credits to "buy" this insurance for self and family members.
- Family life insurance - employee can use dollar credits to "buy" this insurance for spouse and children.
- Annual leave buy or sell privilege - employees with leave over 80 hours could sell the surplus back to the agency for cash or use it as a credit to "buy" other benefits; employees who want more leave than they have could "buy" additional leave using dollar credits.
- Health care account - employee could use before-tax dollars to pay for health care expenses not covered by insurance, up to limit of \$2,500. (This is the so-called "flexible spending account" or "FSA").
- Dependent care account - employee could use before-tax dollars to pay for day care for children or elderly dependents, up to \$5,000 a year. (Another aspect of FSA).

- If employee's choice among benefits do not use all of the dollar credits the agency provides, the employee may take the surplus in cash, or allocate it to dependent care, or to health care spending account, or to "buy" additional group universal life insurance.
- If the employee's selections exceed more than the amount of the agency's dollar credits, the employee pays the extra costs and may elect to pay out of take-home pay (after taxes) or through a before-tax "salary reduction".

The NAPA staff is not going to make a technical evaluation of the CIA proposal. The plan was designed for CIA by a firm with an outstanding reputation in this field. It appears to be consistent with many plans in private sector companies, and it appears to fit the culture of CIA employment.

II. BACKGROUND AND CONTEXT OF PROPOSAL FOR FLEXIBLE BENEFITS

Benefits Package for Federal Employees:

- Government's standard package of benefits now includes:
 - Pay for periods of time off -- holidays, annual leave, sick leave, military leave, jury duty leave, administrative leave in event of emergencies.
 - Continuation of income during periods of disability relating to injury on the job -- Workmen's Compensation.
 - Federal Employees Health Benefits Program (FEHB) -- either health insurance or prepaid health care for employee and family, costs shared by government and employee.
 - Federal Employee Group Life Insurance (FEGLI) -- basic life insurance and accidental death or dismemberment insurance, with costs shared by government (1/3) and employee (2/3), additional life insurance for employee at employee's expense, additional life insurance for spouse and minor dependents at employee's expense.
 - Retirement - Civil Service Retirement System (CSRS) -- provides retirement annuity for employee, disability annuity, survivor's annuity, costs shared by Government and employee, optional Thrift Savings Plan at employee's expense; or Federal Employees Retirement System (FERS) - provides retirement annuity, disability annuity, survivor's annuity, through a combination of Social Security (costs shared by government and employee), pension (cost paid by government only), and Thrift Savings Plan (costs shared by government and employee).

Comparing Federal and non-Federal Employment Benefits:

- Package of federal benefits as a whole is similar to that of many employers in private sector. A 1985 GAO report comparing federal pay and benefits with private sector pay and benefits, based on 1984 data, showed these results;
 - Structure of paid time off for holidays, vacations, and sickness in federal service differs from private sector practices; on the whole, federal time off benefits were slightly more generous than private sector in 1984 (by a margin of 0.8 percent of payroll).
 - With respect to health benefits, private sector employers paid a greater share of health insurance premiums than the government pays, private sector health insurance paid a larger share of employee health care costs, and private sector employees paid less in deductible than federal employees. In sum, federal employees had greater out-of-pocket expenses for premiums, deductibles, and shared medical costs than private sector employees. Since 1984, in the private sector, more employers have been shifting some health care costs to employees, but the value of federal health benefits has eroded further since 1984 because of substantial increases in employee-paid premiums, deductibles, and out-of-pocket costs not covered by insurance.
 - As to life insurance, private sector life insurance provided more coverage than federal; and most private sector employers paid the full cost of basic life insurance up to two times annual salary, while the government pays only a third of the premiums for basic life insurance and none of the premiums for supplemental coverage.
 - In the retirement field, CSRS, which was the only plan available in 1984, was considered more generous and more costly than most private sector plans because it allows retirement at an earlier age and because annuities are fully indexed for inflation. Since 1984, federal annuities have not been increased to match inflation every year. Furthermore, the government's new FERS program is modeled more exactly on private sector retirement plans, with a social security component, a small pension benefit, and a Thrift Savings Plan. Under FERS, a federal employee can still retire at a younger age than most private sector employees; but only the social security component is indexed for inflation -- pension increases according to the cost of living index minus one percent; and Thrift savings Plan investments may or may not keep up with the rate of inflation. The

advantages formerly accorded to the federal retirement program have diminished since 1984.

- Overall, the federal employment benefits package was considered a bit more generous than private sector benefits in 1984, but federal salaries were falling progressively behind private sector salaries, and the GAO judgment was that the value of private sector compensation exceeded federal sector compensation by 7.2 percent to 9 percent net in 1984.
- Flexibilities in Current Federal Benefits:
- Within the standard package of benefits, employees can make some choices and thereby tailor some of the benefits to meet their particular needs.
 - The employee can select additional life insurance coverage, at the employee's expense.
 - Within the health benefits program, the employee can choose among numerous insurance or health maintenance options. (CIA notes that their overt employees can choose among health plans like other federal employees, but their covert employees are forced to take only one plan).
 - There are choices within a category of benefits; the benefits package does not offer the opportunity to make trade-offs between categories, e.g., less of one benefit in order to take more of another benefit.
 - Furthermore, employee payments for benefits are deducted from take-home pay after taxes have been deducted, not taken out of salary before taxes are calculated.

The Idea of "Cafeteria Benefits:

- Employers that offer "cafeteria" benefits programs typically provide a minimum core of benefits at the employer's expense plus supplemental benefits at the employer's expense or with costs shared in part by the employees. Employer makes a commitment to spend a certain amount per employee on benefits, then allows employees to choose an individual package of benefits from a "menu" that provides opportunities for choices between categories.
 - From a tax accounting standpoint, in making choices among benefits provided by the employer, the employee is choosing how the employer should spend the employer's money on the employee, i.e., the money never actually belonged to the employee.

- Where the employer calls upon the employees to share part of the costs of benefits, e.g., for health insurance premiums, the employer can arrange to have the employee's share taken out of pay before taxes are calculated. The tax accounting fiction is that the employee is taking a reduction in salary equal to the price of the employee's share of costs.
- In some "cafeteria" benefits plans, one component is a "flexible spending account" (FSA). Again, the employee takes a reduction in salary before taxes are calculated, with this money used either to pay for health care costs not covered by health insurance, or to pay for dependent care costs associated with employment, or both. Tax law allows pre-tax employee dollars for health care up to \$2,500, and for dependent care up to \$5,000 a year, or a total of \$7,500 for both; but if employee agrees to a salary reduction for these purposes and does not use all of it, the remainder is forfeited.

History of Cafeteria Benefits:

- Idea of cafeteria benefits has a long history; but the record of implementing actual cafeteria benefits is rather recent. It is a system with a stop-and-start history; an idea that has been struggling to get under way.
- In 1974, two pionering cafeteria benefits plans were put in place; one at Educational Testing Service (ETS), another at TRW.
- 1974 Employee Retirement Income Security Act (ERISA) froze development of additional cafeteria benefit plans while Congress and Executive Branch studied effects on employer and employee taxes.
- 1978 Revenue Act settled some tax questions, opened way for more cafeteria benefit plans. American Can Co., another pioneer, started its plan in 1978.
- Other employers began to adopt cafeteria benefit plans, but the 1986 Tax Reform Act has raised some specific concerns about the continued tax exempt status of flexible spending accounts. Hence, some employers are now waiting for crucial tax rulings before moving ahead.
- With this history, the idea of cafeteria benefits has not actually spread very far in the private sector. Some large, first-rank corporations have cafeteria benefits plans; a great many more do not. BLS data indicate, as of 1987, only five percent of employees

in medium and large companies have cafeteria benefit plans available. In state and local governments, eight percent of employees have cafeteria benefits available.

- Number of employers offering cafeteria benefits plans is hard to determine, but estimates are less than 1,000, out of a universe of hundreds of thousands.

Cafeteria Benefits and the Work Force of the Future:

- Hudson Institute's report on "Civil Service 2000" prepared for OPM and delivered to Congress September 27, 1988 notes some important points:
 - Something must be done to bring federal salary levels into line with other employers; but federal benefits packages need to be made more flexible also.
 - Current federal employment benefits reflect a work force dominated by male breadwinners supporting families with non-working wives and children; today's work force and future work force contains large numbers of working women, single parent wage earners, dual career couples, and other workers who don't fit the older pattern.
 - Cafeteria benefit plans better fit the needs of a diverse work force -- employees can tailor benefits to meet their individual needs; federal government can hold down costs of benefits and relieve pressure for ever more benefits to be added to the package.
 - The Report states: "Rather than wait for these systems to be widely adopted and extended by private industry, the federal government should take the lead in experimenting with such flexible benefit programs as yet another way to attract and retain employees."

III. WHY DO EMPLOYERS OFFER CAFETERIA BENEFITS?

- Employers provide employment benefits in general for a mix of reasons, including competition with other employers for needed talent, social responsibility for welfare of employees and their families, cafeteria benefits more effectively manage employer's benefits costs.
- Tax laws encourage employers to provide employment benefits, (costs are deducted from employer's taxable income; benefits are not included in employee's income for tax purposes). This serves important public policy purposes -- keeps employed people and their families from being a burden on the community during both working years and retirement years.

- Highlights how much the company is paying for health plans and the company's increased contributions.
 - Employees can choose health plans/options which best meet their needs.
 - In those plans which allow, flexible spending credits can be used to buy other benefits in amounts employees desire. This focuses attention on how much is spent for benefits plans by the company and the employee.
 - Bottom line is that employer can provide a greater spread of benefit options to employee to meet this specific needs without increasing costs.
- Cafeteria benefits improve employee morale and sense of satisfaction with employer.
- Employee demographics and benefits needs no longer fit the "normal" pattern of the 1950's. Cafeteria benefits plans better serve diverse needs of today's work force.
 - Employees like being able to determine the most desirable benefits package for themselves - "the most bang for their buck"; it is generally believed that increased employee satisfaction pays off to enterprise in greater productivity, and enhances ability to recruit and keep talent.

IV. ARGUMENTS IN SUPPORT OF CAFETERIA BENEFITS IN GENERAL

- Potential for markedly improved employee morale - shows the employer is concerned about its people.
- Greater awareness of the benefits package and its value.
- More effective utilization of the benefits - employees can get more of what fits their needs, and decide whether and how much they wish to supplement their benefits above the core level.
- Repeated opportunities to communicate positive messages about the good things the employer is doing, to further support the employer as a good, progressive place to work.
- If cafeteria benefits plan includes flexible spending accounts (FSA's which allow employees to earmark pretax dollars on a payroll deduction basis for dependent care and medical costs not covered by insurance), it allows tax savings for employees.
- Introduces the concept of cost sharing on premiums, and employee accountability for the cost-benefit decision choices they make.

- Introduces the possibility of future cost savings for employer where benefits premium increases are not fully covered by the employer - as costs go up, employer can pass increasing proportion of costs to employee who, in turn realizes tax savings through the use of flexible spending accounts that serve to soften the impact.
- Some specific points CIA makes in support of its particular proposal:
 - it would offer the same range of choices to both overt and covert employees;
 - it would be under CIA control and enable the agency to protect the identity of its employees;
 - it holds the potential to stabilize or reduce costs of benefits.

V. ARGUMENTS AGAINST CAFETERIA BENEFITS IN GENERAL

- Requires a substantial computer system to track and payroll deduct for each employee's individual benefit package. (CIA confidentiality requirements will require even more bookkeeping).
- Could sharply increase paperwork needed to administer the benefits program.
- Constantly changing tax laws complicate the administration of an already complex program. Experts in flexible benefits state the real reason to offer a flexible plan should be to offer employees choices; tax laws are always subject to change. However, future tax law changes may significantly change or even wipe out the basis for flexible plans.
- Increased potential for "adverse selection" (employees with greatest health care costs all select the most generous options, driving premium cost for that option up or making the option too costly to continue). Experts in flexible benefits report that serious adverse selection problems can sink portions or all of a flexible benefits plan. One way to avoid this is through actuarial pricing of the plan's options.
- Employee reluctance to change, as demonstrated by FERS.
- Requires that employees consider and make decisions regularly and that management provide sufficient information to do this.

VI. LEGAL MATTERS: Panel should be aware there are some legal issues relating to tax law that will affect the ability of CIA - or any other employer - to implement flexible benefit programs. There are some issues, flowing from the 1986 Tax Reform Act, that have not been settled by IRS or the courts. The outcome of the deliberations on these and other issues could either stifle or stimulate development of additional flexible benefit programs.

1. Issue: whether employee expenses and contributions to benefits provided by employer on the basis of sharing costs between employer and employee (e.g., employee portion of premiums for health insurance) can be deducted from employee's gross salary before taxes are assessed, or only from employee's after-tax take-home pay. The IRS has indicated that employers whose salary rates are set by statute cannot deduct employee contributions from income before taxes. If this interpretation holds up, it would undermine the ability of Federal agencies to offer this tax reduction feature to employees in connection with benefit programs.
 - Salaries in the General Schedule (FBI, Army, Navy, Air Force) are set by statute; the salary rate table was originally incorporated into the statute (title 5, U.S. code) but now is revised annually by Executive Order pursuant to statute.
 - The DIA and NSA pay tables are identical with the General Schedule, but the Secretary of Defense has the authority to set salary rates in those agencies, provided only that the rates are related to the General Schedule rates for comparable levels of work. Whether that means the salary rates are set by statute, or are set by the Secretary of Defense under broad authority of statute is a question for legal experts.
 - The Director of CIA has virtually unfettered authority to determine the amount of pay for employees. The salary rates for CIA employees are not specified in statute. As a policy, CIA has a basic pay table that is identical with the General Schedule; but it could not be said that the salaries are set by statute. Therefore, among the intelligence agencies, only CIA has clear authority to offer this tax reduction feature to employees.
2. Issue: in January 1989, new anti-discrimination features of the 1986 Tax Reform Act go into effect. Under these provisions, if high paid employees opt into the benefits plans that offer the most benefits, and low paid employees do not, for any reason, the benefit plans may be considered discriminatory. Plan will be tested repeatedly by some statistical measures to gauge whether they are

discriminatory. If a plan is found to discriminate, the employer can still offer the benefits to employees, and high paid employees can still flock to the best benefits, but the value of the benefits become taxable income for the high paid employees, not tax-free as at the present time. (Some employers have already experienced this phenomenon. When they have only a few high paid employees who get stuck with taxable income because of this, the employers may simply give the few employees more salary to cover the cost of the taxes; but if a lot of employees are stuck with added taxable income, some employers have elected to cancel the benefits involved). With respect to the Federal Thrift Savings Plan of FERS, Congress has provided a special exception to the anti-discrimination rule.

- The impact of this rule on flexible benefit programs could prove to be devastating, depending on how IRS rules on it. If IRS finds that the flexible benefit plan as a whole, with its many options, is subject to the rule, then the impact of the rule on such plans may be negligible. But if IRS finds that each component of the flexible benefit plan must meet the anti-discrimination rule by itself, the finding could knock out many of the options within flexible benefit programs. Some observers think employers will go slow in adopting any new flexible benefit plans until this issue is settled.
- Obviously, these and other legal and tax issues have to be settled by legal experts, the IRS, and the courts; but the Panel should be aware that legal issues will be major considerations in determining whether CIA or any Federal agency can proceed with a flexible benefit plan that includes flexible spending credits.

VII. PUBLIC POLICY ISSUES: WHAT RECOMMENDATION SHOULD THE PANEL MAKE WITH RESPECT TO THE CIA FLEXIBLE BENEFITS PROPOSAL?

OPTIONS:

- A. Panel could recommend against the proposal. Panel could find there is no viable basis to treat CIA differently from the rest of the government on this matter.
- Arguments support a recommendation to not move ahead with CIA proposal:
 - Flexible benefits idea has not been widely adopted in private sector yet, although it is spreading.

- Allowing CIA to implement a flexible benefits plan would put the Agency ahead of other intelligence agencies, the rest of the government, and much of the private sector.
 - CIA already has and uses a range of salary flexibilities to enable the agency to compete effectively with other employers; CIA does not need flexible benefits to make it competitive in current labor markets, i.e., in short term.
 - CIA's ability to implement flexible spending accounts (taking employee's costs out of pre-tax income) because the CIA salary rates are not set by statute is a coincidence of history, not a sign of legislative intent for CIA to establish flexible benefits.
 - Some compensation experts believe the government needs to straighten out basic pay shortfalls before trying anything new in the area of benefits -- pay reform has higher priority.
- Arguments supporting a recommendation to move ahead with CIA proposal:
- CIA and other employers likely to need flexible benefits to provide for needs of work force of the future, if not right now, i.e., to meet long term changes in employee demographics.
 - CIA could experiment with flexible benefits to test the concepts in a public employment setting for the federal government as a whole (CIA rationale for its proposal states a willingness for CIA to be a "test bed" for the government on flexible benefits.)
 - Experiment could help establish the agency as a progressive employer.
- B. Panel could recommend that CIA test flexible benefits for the Government, in a controlled experiment.
- Arguments in support of a CIA test of flexible benefits concept:
- Only CIA among the intelligence agencies, currently has clear authority to go ahead with flexible spending accounts, which are often viewed as an integral part of cafeteria benefits plans, without legislation. Therefore only CIA can meet legal test for treating employee contributions as before-tax deductions.

- Agency could pilot test cafeteria plan with flexible spending account and share its experience with the rest of the Federal government before any commitments are made to adopt the idea across-the-board.
- Could provide employees opportunities for choices in benefits.
- Could provide opportunities to limit future cost increases to the employer.
- Arguments against a CIA test of flexible benefits concept:
 - Would increase the edge CIA already has over other agencies in compensation and competitiveness.
 - Sets a precedent in Government of reducing tax revenues by letting Federal employees take advantage of the pre-tax deduction.
 - Could be difficult to take away flexible benefits.
 - System is complex and may be expensive to operate.

VIII. NAPA STAFF RECOMMENDATION: NAPA staff recommends that the panel support Option B - let CIA proceed with a pilot test of a flexible benefits program under controlled conditions as a test for the Government as a whole.

- Some implications of this recommendation:
 - Test should include agreed upon cost levels -- cafeteria benefits plan could harvest some cost growth since 26 percent of the employees do not participate in the benefits plans and they will jump in. Except for identifiable start-up costs and expected increases in administrative costs, this will allow better cost containment over the longer run. With results subject to independent evaluation within a pre-determined time frame.
 - Test should include flexible spending accounts (before-tax salary reduction agreement for employee to apply pre-tax salary dollars or flexible spending credits to health care costs or dependent care costs); but if IRS does not approve that feature, test should go ahead with its other features -- employee choice among benefits options provided by the Agency.
 - Test should include a rigorous plan for independent evaluation of results, based on a clear definition of measurable objectives, collection of relevant data on

impacts of the test (e.g., on Agency's ability to recruit and retain employees), isolating effects that can be attributed to flexible benefits from those attributable to other causes, identification of costs and savings, and assessment of the extent to which the plan can be used in the rest of the Government.

- Since the test is for the Government as a whole, CIA should get OPM's research staff (Personnel System and Oversight Group, OPM) fully involved and committed. (OPM "sponsors" two kinds of agency experiments on ideas likely to have Government-wide application. One is the well-known "demonstration projects"; the other is less well-known "research projects". Demonstration project require waiving existing laws, have limits on numbers of employees involved, require public hearings and notice in Federal Register and notice to Congress. Research project do not waive any laws; they require only OPM approval to go ahead. CIA cafeteria benefits test would fit research project criteria; OPM commitment offers advantage of professional help in project design and evaluation and OPM approval of results for Government-wide application.)
- CIA should keep the Intelligence Committees fully informed of plans and progress, and, since the test is for the Government as a whole, should fully brief House Post Office and Civil Service Committee and Senate Government Operations Committees.
- CIA will, no doubt, have to get approvals of OMB on the budgetary and managerial aspects, and of IRS and Treasury on the tax aspects.

CAFETERIA PLAN EXPERIENCE:

CIA Proposed	CO #1 UNISYS	CO #2 NYNEX	CO #3 STATE OF GEORGIA	CO #4 ONAN	CO #5 Fireman Fund Ins Co
Approx Company Size Covered	58,000 Domestic	30,000 Non Bargaining	95,000	4,500	12,500
Date of Installation	4/1/88	7/1/85	7/1/86	1/1/85	1/1/89
Reasons for Flex Benefit Plan	1. Provide choices to better meet employee needs 2. Better return on agency/employee dollar 3. Take advantage of FSA tax savings	1. Merger forced need to integrate two benefit plans - wanted to deliver same level of benefits 2. Be competitive in industry 3. Spend no more than prior to merger	1. Provide choices 2. Control rising medical costs 3. Move towards true total compensation 4. Provide cost savings by having one set of benefits for carriers to bid on	1. Provide choices - no "normal" work force/ demographic needs 2. Control company cost 3. Take advantage of FSA tax savings	Implementing FSA's & Pretax premium options only Need to add one more person, but budget will not allow it
Resources: Personnel	N/A	Added 3 people to staff to administer the program-need 1-2 more staff	Have 3-4 people dedicated to the program adminis- tration	Added new division of 8 people to process enrollment forms & administer the program	No new people added

CAFETERIA PLAN EXPERIENCE:

	CIA Proposed	CO #1 UNISYS	CO #2 NYNEX	CO #3 STATE OF GEORGIA	CO #4 ONAN	CO #5 Fireman Fund Ins Co
Other Resources	N/A	Estimate \$4 million in first year, expect second year to be much less	On implementation spent \$1 million on consulting fees, 6 payroll folk involved	This fomented a lot of system upgrading-payroll systems of 25 agencies at 800 locations had to be brought into consistency	\$60,000 to \$65,000/yr for timeshare/system to administer	
Caveats		1. Get strong management support on the proposal before you start	1. Be clear on the objectives.	1. Communications is the key	1. Allow at least 18 months to do this-be certain you've got your payroll system ready & tested	1. Look at costs carefully on flex, particularly if you have a significant number of employees who have opted out
		2. Use a good consulting firm which has solid experience - it can provide help on systems design, documentation, the process and communications	2. Be honest & upbeat on communications	2. Look at administrative process carefully-check odd ball exceptions-LWOP, etc.	2. Be clear on your philosophy and objectives - is flex what you really want?	2. Watch payroll system issues
			3. If you have a problem with a current plan, be ready to bite the bullet	3. Consider having only one month of the year when you will review carrier's proposals		3. Make sure you do the communications very carefully and well